

ABSTRACT

The case of bankruptcy which occurred in Indonesia and abroad was the failure of auditors to assess the ability of corporations in maintaining their business continuity. Auditors are supposed to be able to provide early warning against the prospect of an enterprise. In fact in the property sector and real-estate in 2009-2013 year there were few companies that had a negative going concern modified audit opinion as a result of the global economy being less stable and not getting the going concern modified audit opinion. So investors are taking investment wrong decisions. This research aims to test the influence of financial condition, audit quality and managerial ownership on the acceptance of going concern modified audit opinion either simultaneously or partially.

The study populations were companies of property and real estate sector listed in Indonesia Stock Exchange on 2009-2013. Total of 9 companies used sample during 5 years were obtained using purposive sampling method. Data analysis was performed using logistic regression with statistical software SPSS 20.

The results showed that financial condition, audit quality, and managerial ownership variables significantly influence the acceptance of going-concern modified audit opinion. Partially, financial condition variable significantly influences the acceptance of going-concern modified audit opinion. While the audit quality and managerial ownership variables do not significantly influence the acceptance of going-concern modified audit opinion.

Keyword : Financial Condition, Audit Quality, Managerial Ownership, and The Going Concern Modified Audit Opinion